

Emerging Markets Queries in Finance and Business

The Development of Leadership and Business Process Outsourcing (BPO) Skills

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Abstract

Outsourcing is the strategic option that a company can afford in order to transfer some processes, partially or totally, to another economic entity, with the purpose of : reducing the costs, increase the quality of services, earn fiscal facilities, get the benefit of risk management or operational expertise etc. One of the main subdivisions of outsourcing, besides the information technologies outsourcing ITO and the complex processes outsourcing CPO, it is represented by the operational process outsourcing, frequently known as BPO Business Process Outsourcing. LEAP is the acronym of Leadership Evaluation and Advancement Program and it refers to highly increase of the leaders within companies, that addresses to those employees that are interested in developing management skills and to look for a superior job, when such opportunities are about to show up inside the company. Along with the program they'll decide how they want to develop and which position inside the organization. The LEAP program is a complex process that includes many selection steps, evaluation, development, each of them taking place in a very precise period of time and having a named person to verify the good working conditions of the processes, the imposed classification in time and the evaluation of the predicted results for the specified step.

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1. Outsourcing and BPO – conceptualization

In recent years, one of the most common economic terms, both globally and on the Romanian market, is outsourcing – the formula used mostly even among professionals in Romania. Whatever we talk about ways to reduce costs for different investors or we talk about creating jobs, outsourcing seems to be the keyword. In general sense, outsourcing is a strategic choice that can have a company to transfer some processes, in part or whole by another economic entity in order “to improve overall competitiveness, increase value for shareholders, is possible to focus on core competencies and processes developed to world class success by retrofitting, access to industry knowledge and processes” Fotache & Hurbean, 2006, page 50.

One of the main subdivisions of outsourcing, besides information technology outsourcing ITO or complex process outsourcing KPO, is the operational process outsourcing, frequently meet by the acronym BPO Business Process Outsourcing. “Business process outsourcing BPO is the contracting of a specific business task, such as payroll, to a third-party service provider. Usually, BPO is implemented as a cost-saving measure for tasks that a company requires but does not depend upon to maintain their position in the marketplace” Rouse, 2010. In addition to reducing costs by outsourcing, can identify a wide range of business processes that can be BPO service type, such as efficiency and quality of employment, safety of employees directly involved in a company's core business, focus on improving service quality, improved attention to customers, maintaining customer loyalty through quality services, etc.

Business process outsourcing market or outsourcing of operational process in Romania is still relatively „young” because started to be visible for about five years.

As you know, the market is already outsourcing subsidiaries of internationally renowned companies such as Genpact and Accenture. Advantage of the North-West market of Romania in the BPO industry languages skills is knowledge, which is also the main ingredient and type BPO service.

On the other hand, the experience of the candidates in such services is low, is necessary to train specialists through internal professional development programs to prepare well structured training programs aimed at both general skills and the functional employees that could handle future managerial roles. For this reason have developed a series of programs to train people in companies who could fill managerial positions to „get” the kind of leadership „level 5” – from the individual with special qualities and continuing member of the team involved, competent manager, effective leader and executive of level 5 – as shown in the pyramid model „the 5 levels of hierarchy” by Jim Collins Collins, 2010, page 43.

So, the future leader will influence in a group format, detaching themselves as „personal qualities, behavior and specific features of the situation” Vagu & Stegăroiu, 2006, page 13, who „has managerial authority and is often responsible leaders to structure their roles and other roles in the organization” Robbins & Coulter, 2005, page 425. However, each leader should emphasize the work take place at each subordinate employee to provide a degree of autonomy in carrying out of the work to be responsible employees for results and to inform employees about the results of previous periodic evaluation of professional performance Keenan, 1996, page. 24-26. 10 pt Here introduce the paper, and put a nomenclature if necessary, in a box with the same font size as the rest of the paper. The paragraphs continue from here and are only separated by headings, subheadings, images and formulae. The section headings are arranged by numbers, bold and 10 pt. Here follows further instructions for authors.

2. Program LEAP

LEAP in free translation, jump is an acronym, meaning Leadership Evaluation and Advancement Program. The philosophy behind LEAP is defined by the following criteria:

- Easy to implement;
- A structured process;

- Align with necessary job skills;
- Advantages as cost;
- Allows setting high objectives;
- Effective in all phases of business;
- Focus on development and professional growth;
- Similar process for all career transitions;
- Accelerated development of all talents and people with managerial potential.

Depending on the specific needs and locations where is implemented globally LEAP program takes various forms, as follow:

- Manila – LEAP is a management program of talent which is aimed at capacity building and management;
- Cebu – LEAP is a development program. Help employees with leadership potential to develop skills and prepare for management positions;
- Costa Rica – LEAP is a selection, evaluation and development for employees, focusing on providing learning tools to develop career paths;
- El Salvador – LEAP is a training program that seeks to provide the essential basic knowledge and skills to prepare for professional advancement;
- United States – LEAP is the SYKES to identification, evaluation and providing opportunities for those employees who have a high potential to become first-line managers, middle managers or responsible customer.

Trends identified for LEAP programs have been already:

- Process conducted for each region is similar, including: the nomination of candidates, stage of development suggestion for topics addressed in training, assessments/ tests to direct and complete skills;
- A minimum set of criteria followed for each employee to qualify as a candidate LEAP varies by region, but includes the most outstanding employees;
- The candidate cat not disciplinary performance in last 1 – 2 cycles usually the last 3-6 months;
- Each region reported one or two session a year LEAP;
- Each region has some experience in the business over 6 months;
- The most common areas of development include: skills of team manager, team leader, support functions specific skills;
- All regions reported that direct mentors managers, trainers are responsible for facility assessments.

3. LEAP program structure and stages

LEAP program is a complex process that includes several stages of selection, evaluation, development, each of which took place in a time frame established on a designated person to verify the proper functioning of processes, employment period required processes and evaluation of results expected at that stage.

LEAP program has a dual stratification:

- Junior level: level of development of future first line managers or individual contributors / trainer, quality specialist, product specialist, etc;
- Senior level: addressed to senior managers development.

Each applicant may follow one of these areas according to hierarchical position held in application moment.

Responsible persons for the smooth conduct of the LEAP program are designated by the Regional Management or local level according to the specific activity of each person designated recruiting members dealing Human Resources, for training handles training departments, etc, together these persons forms the LEAP team. LEAP team may remain the same, may be changed from one edition to another or can be changed even during the development of an edition, depending on operational need and the others of the company which runs the company in a particular location.

LEAP stages consist of the following:

meeting the “kick off”:

- LEAP program communication
- collection applications
- selection
- development center
- training and professional development
- final assessment center

Release meeting called meeting “kick off” has as prime role to bring together people involved in the implementation, deployment and evaluation LEAP process, to settle the action plan and to draw the outline of the process. At the meeting, training department manager informs people, previously selected, role and their involvement in the LEAP program and how they will relate throughout the program. All clear now separates the responsibilities of each party, leaving however the possibility of further changes if other processes in the company will determine what is necessary.

Communication LEAP program – as soon as they out loaned the action, proceed to communicate the program to all members of the company. Communication will be done in several ways, aiming to capture the interest of employees and instilling the desire to participate in the program so called “buy in”, clear evidence of the participation criteria, the system behind the program and expected results when browsing the entire process. Communication began with a campaign to capture employees through various images of nature to raise questions and to induce the desire to know as much what happens around them, a so called “teasing campaign” “teasing” – verb in English translates into “the cause of irritation, to excite”. So, without notice, employees were surprised one morning to find their desks, facilities and related business locations redecorated a number of new elements and atypical – dots cut from paper of different colors and sizes found in color LEAP logo. A few days after, they began appearing in various areas of business offices posters were made in the same breath color, suggesting the idea of evolution. Also wallpapers from service monitors were exchanged with these posters. The picture varies in content, send the same message – “evolution”. If at first was only nonverbal stimulation, progressive images were joined text, message going a clearer structure. Employees wait eagerly following disclosures, noting the tendency to supplement information progressively, gradually. An important aspect to note is that, except LEAP team, any other employee did not know the exact scope and purpose of the campaign.

In the end stage of communication, LEAP team sent emails information about the program, have created info share-points in various locations in the company, where employees could obtain more information. This information consists of defining program objectives be achieved, selection criteria, during various stages, limitations, etc. As a means of communication has proved useful to draw up a list of “frequently asked” that might emerge. Also, LEAP team expressed willingness to answer any other questions.

Collection of applications – information and communication campaign for LEAP lasted a month, with the possibility of sending applications from persons interested in the last two weeks of this period. The application should contain a CV, letter of intent written in English and a letter of recommendation from supervisor.

LEAP program has established some transparent and objective recruitment criteria, provided an opportunity for interested employees to self assess program eligibility. These objectives were: age in company of at least 6 months, performance target for the last 3 months both by qualitative and quantitative parameters, no disciplinary action within 6 months, and commitment to the program for selection – willingness to work as needed during the clear with short term, individual or team, etc.

Communication program was validated by the number of applications received for both the junior and for the senior level Figures 1 and 2.

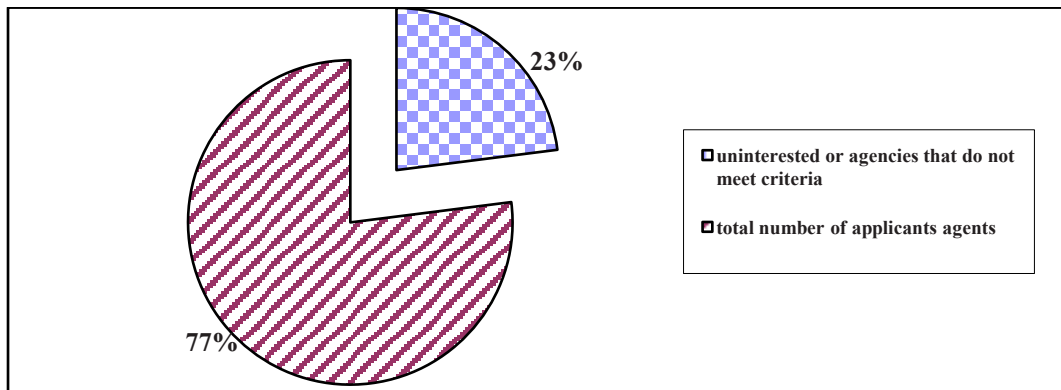


Fig. 1 Applicants LEAP program – junior level

From the comparison results can be seen large gap between the two levels, meaning that once passed the junior, employee / employees are increasingly interested in this program.

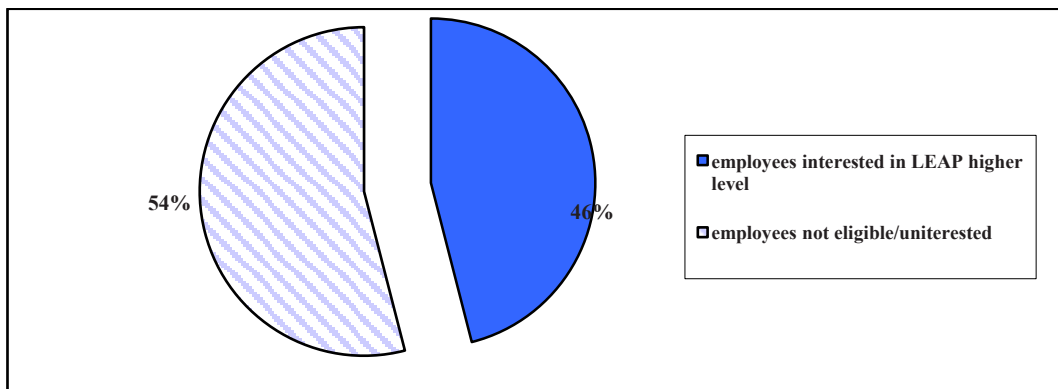


Fig. 2 Applicants LEAP program – senior level

Selection – once finished collecting the applications, the balance showed the success of the LEAP team at this stage, original objectives of attracting applicants, set the location Cluj LEAP team, totaling 80 applicants for both levels being exceeded by approximately 20%. After the applications have been centralized, continue the selection process, which included four rounds. Each of them has phased out some of the applicants, after each step resulting a short list of candidates. Also, at the end of each stage of selection is communicated feedback, positive or negative, employees included in the selection process

Stage of selection are:

Stage 1: Is to check applications received, so that they are consistent with the original criteria company length, performance targets, the absence of any disciplinary. At the same time, all at this stage, beyond the initial letter of recommendation, was requested from the supervisor specific feedback, standardized on certain skills of applicants and results orientation, the customer, for profit, to team, effective communication, adaptability and ability to learn from experience.

Stage 2: In this phase were evaluated two essential skills which can provide better integration later in the program and assimilating of new information accessed – English language skills and analytical reasoning.

Stage 3: This phase aims to assess the basic managerial skills, and this is done by two tests. The first test aims analyzing the organizational capacity planning tasks and time effectively. The second test is to analyze a case study that outlines the details of business respondents' role being to develop an action plan based on a SWOT analysis.

Stage 4: Once at this stage, applicants attend a personal interview behavior. These types of interviews are based on behavioral theory building interviews. The theory started that some past behaviors will predict future behavior greatly. These interviews shall test the compatibility of applicants with the desired profile management within the company depending on the selected development in the LEAP program. Skills refer to abilities or skills set which describes expected performance, meeting specific job. Adjacent to the interview also aims to capture the level of motivation to LEAP program, organizational commitment and motivation to rise the company. STAR is interviewing technique used situation, task-responsibility, action, result.

Development center – after laborious selection process, resulting a short list of employees who will continue with the development of managerial skills. Finally, were selected five persons for the senior level and eight persons for the junior level. Before proceeding with effective development processes, has made an individual assessment and group the same dimensions that participants were assessed for behavioral interviews. This stage, called *the research center*, is aimed at identifying needs and developing and building an individual action plan. There were organized two such centers, one for the junior and the second for senior level. Each of them took an average of six hours, and includes several exercises, individual or group. Among them note:

- Play the role of providing negative feedback to a subordinate difficult;
- Exercise to negotiate budgets;
- Test in basketball individual organization and planning how to solve several tasks related to a very demanding day;
- Exercise coordination and collaboration, as representative of the department within a company to achieve the common objectives and department objectives;
- Simulation of a business negotiation, taking into account some objectives and predetermined limitations.

These development centers have had a jury LEAP team, which had a passive role of observer/evaluators. They have been anticipated evaluation sheets designed for each exercise and each participant. In the end these assessment centers, the jury have discussed the performance of each participant for all evaluation exercises, the goal scoring reconciling and important aspects captured in assessments during assessment centers. This important step has resulted in developing a plan individualized for each participant LEAP. Plan was also released later arguments by individual feedback sessions with people from LEAP program.

Training and professional development – after the communication of individual development plan, the next period is the most extensive in duration about 4 months. At this stage, using different ways of learning - classroom training, individual study activities, self, individual and group projects, online learning. These activities are also included in the development plan.

Final assessment center – determining development needs and training period and training is complete symmetric, with a final evaluation, on the same skills that participants were initially evaluated. Final assessment center, keeps the same formula, with jury the observations noted, and participants involved in various activities, exercises and simulations. Once participants are evaluated, members of jury discussed and in agreement concludes each scoring mode. Final assessment center results in a individual report, with the development of skills, the progress made since the last report, before the intervention, and any recommendations for future development. The results of this assessment center will be considered for future promotions that will take place in the company. Following feedback in different times and stage of LEAP, can say that it was a success, in terms of popularity gained among employees, some of them, for example, strive to maintain optimum performance and conduct optimal parameter, just to not create any impediment to a future application to LEAP program this years. The program was a success due not only to achieve the objectives set initially, but also because, during the program, three participants were able to promote a higher post, the other

two participants, even when present in an internal process of selection. This general opinion has strengthened confidence in the practical opportunities of LEAP and its consistency.

3. Conclusions

The role and need for professional development programs in companies such BPO type were due to very low level of experience of candidates in such services, resulting in evidently need of specialist training, by means internal professional development programs, based on performance evaluation and skills to prepare training programs, structured skills aimed at both general and functional ones. One current challenge is related to the fact that some of the skills required not developed the market in Romania due the fact that this process has a history in the local market, is quite difficult to recruit a person to have some functional skill sets wanted but a high level of knowledge of foreign languages and much higher wage costs than those budgeted by the company.

Novelty of the subject discussed in this paper is given that these companies are relatively new BPO type on the Romanian market, and building a successful career in the company and how to take a managerial role through professional development program LEAP highlights the importance of this theme better.

The main responsibility it is individual career occupant is the self-knowledge and sharing results of the process manager occupying relevant positions within the organization. Also can harmonize organizational and personal needs, is need some people with skills some kind for occupy future manager positions. Therefore, following the advice and guidance processes, using internal recruitment as a means of motivating staff and the implementation of LEAP, organization is capable to grow „junior” and the prepare to fill these positions.

For this reason, the organization is able to know very well weaknesses and strengths points of the candidates, with sufficient information about each person.

Attracting candidates is facilitated, because being better remarked of performance, may be offered better opportunities to the position held, on the other hand, costs are much lower to attract people. Through internal recruitment selection criteria according to organizational is much faster and more efficient because candidates from within the firm have more knowledge on organizational practices, which reduces integration time and to accommodate the new job obtained. Then, the probability of improper decisions is much smaller than due to higher volume of information on employees of the organization, and the fact that available data and information are accurate.

Beside being time for orientation and guidance on jobs for new employees is greatly diminished, because candidates promoted or transferred are more informed on new posts about the organization they belong.

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